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Spiriajevas, Eduardas

Postprint / Postprint

Zeitschriftenartikel / journal article

Empfohlene Zitierung / Suggested Citation:

Spiriajevas, E. (2013). The development of international tourism in Lithuania: a comparative analysis of regional aspects. *Baltic Region*, 1, 82-90. <https://doi.org/10.5922/2079-8555-2013-1-8>

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THE DEVELOPMENT OF INTERNATIONAL TOURISM IN LITHUANIA: A COMPARATIVE ANALYSIS OF REGIONAL ASPECTS

E. Spiriajevas*



The processes related to the development of international tourism in Lithuania are of importance for the growth of economic, social, and cultural welfare. The increasing tourist and recreational attractiveness of such cities as Druskininkai, Trakai, Palanga, Vilnius, and Klaipeda to international tourists, as well as an advantageous quality-price ratio of the services offered contribute to the growth of competitiveness on the international tourism market. Service standards applied in Lithuania at the international tourism market uphold and improve the image of Lithuania in the Baltic Sea region.

The interregional cooperation between Lithuania, Latvia, and Estonia in the field of international tourism development is based on the principle of public private partnership. It has been recently acknowledged that the three Baltic States form an integrating region in the field of international tourism and thus affect the Kaliningrad region, North-east Poland, Southern Finland, and partially Belarus. Therefore, Lithuania plays an important role in the integration of the tourist infrastructure of the Kaliningrad region into the tourist system of the Baltics.

This study aims to conduct a comparative analysis of the processes relating to the development of international tourism in Lithuania in the context of the Baltic States. We also carry out the comparison of regional competitive factors and trace the patterns for further development of international tourism in Lithuania in the framework of cross-border and transborder cooperation.

Key words: International tourism, development, Lithuania, regional comparison, Baltic States, Kaliningrad region

Introduction

Recently, many regions of Eastern Europe, forming their strategies of regional development, paid significant at-

* Klaipėda University
84, Herkaus Manto,
Klaipeda, LT-92294, Lithuania

Submitted on November 12, 2012.

doi: 10.5922/2079-8555-2013-1-8

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tention to international tourism. The impact of tourism as a priority of the strategies for regional development, including cross-border cooperation, has been considerable not only in Europe, but also in other regions of the world [18; 19]. The development of international tourism is influenced by the process of globalization. Tourism, promoting active eurointegration processes is one of the most important priorities in Lithuania [7], as well in Latvia and Estonia. These countries are located in the area of active trans-regional contacts (East—West and North—South) and transitional routes, which allow them to develop international tourism [2].

The forecasts made by the World Tourism Organization for the period up to 2020 indicate that the growth of tourism in the Baltic Sea region will be high in comparison with other parts of Europe [4; 5]. This should be welcomed as tourism will increasingly contribute to the economic growth and wellbeing of the region. However, the challenge is to achieve a qualitative growth — a combination of growth in tourism and a reduction in the use of energy resources and pollution. Nowadays, the Baltic 21 project is a regional development project, a logical extension of *Agenda 21* that aims at finding a feasible implementation strategy for sustainable development of the Baltic Sea region. Tourism is one of the seven main sectors included in *the Baltic 21 programme* [1].

Developing international tourism in Lithuania is important for the generation of economic, social, cultural and even ecologic welfare, i.e. for the diversification of the national economy, protection of natural and cultural heritage, increasing the value of intangible heritage: local cuisine, crafts, etc. The mentioned factors play a key role in the elaboration of tourism marketing strategies in Lithuania.

In recent years certain social and economic prerequisites have already been created in Lithuania, and the country has presented itself on the international tourism market as a country offering its own tourism product. Lithuania has realized the necessity of preserving and cherishing Lithuanian natural, historical and cultural monuments. Nature resources are of the great importance [6]. Though, Lithuania has experienced the period of „centrally-planned socialist economy“, its natural landscape has been preserved. Lithuanian national and regional parks have been established combining natural and ethno-cultural values, and they have become the so-called interfaces of tourism.

Retrospective geography of international tourism development in Lithuania: the regional context within the Baltic States

Lithuania, Latvia and Estonia are not new to tourism [8]. Estonia has been a favorite destination for Finns for decades [22]; Latvia's beaches and curative coastal mudbath resorts had attracted Russian elite long before the Soviet era began [17]. Lithuania used to be attractive due to its recreational facilities and medical tourism in the same way the Baltic Sea coast was attractive for Russians and Belarusians during the Soviet period. The biggest increase of inbound tourism flow in Lithuania, Latvia and Estonia as well as

in the entire Baltic Sea region was noted after 2004, when the countries joined the EU. An exclave of Russian Federation — the Kaliningrad region — is becoming an attractive destination for international tourism [11; 16]. A set of factors, such as geographical location, reasonable prices of services, history and traditions, lack of knowledge about the Baltic States and the changed geopolitical situation of the countries as well as developed transport networks and rather short geographic distances — all these increase interest in the region. These factors impacted on the preconditions for the formation of new emerging tourism destinations increasing the competitiveness of the Baltic States and the Kaliningrad region.

Since the collapse of the Soviet Union in 1991, when the Baltic States became independent, the tourism sector has faced many challenges on the way to its restructuring and reshaping, implementing economic reforms on the way to free market economy [8]. The changed structure of visitors, i. e. decreasing number of visitors from Russia, Belarus, Ukraine, caused loss of income and revenues. And a new tourism market was not formed yet. The provision of recreational facilities did not match the standards of hospitality for international tourism, the main resorts on the Baltic coast lost their visitors and in the newly changed conditions the coastal resorts as well as other inland resorts were totally unknown for Western tourists. In some places, the degree of deterioration of recreational infrastructure was almost 60 per cent.

Since 1994, there has been an increase in the number of international visitors to the Baltic States. The main push factor was — „*New countries in Europe that are remaining still undiscovered by Western markets*”. The Baltic States attracted more interest after their accession to the EU. The back cover of the 1994 first edition of the Lonely Planet guide to the Baltic States and the Kaliningrad exclave opens with the following paragraph: „*Perhaps the last frontier of European travel, the Baltic States are a treasure trove of historical, cultural and natural delights. Travelling to the Baltic States was considered exotic and akin to a trip to the long-lost frontier*“. The first ‘new comers’ from the West came from Finland to Estonia (due to the geographic proximity of the capitals of Finland and Estonia and intensive daily ferry service), and from Germany to Lithuania (mainly visiting the Klaipeda region). The history of the Klaipeda region is linked to the history of former East Prussia, so the trend of ‘nostalgic tourism’ prevailed in Klaipeda and in the Kaliningrad region. Tourists from Poland started visiting Eastern part of Lithuania and the capital Vilnius that was joined to Poland before the Second World War. There is still a rather big diaspora of Poles living in Vilnius.

Due to the changed political and geopolitical situation in the Baltic States, Latvia continues to be visited by tourists from Russia, due to a big Russian speaking diaspora that have become residents of Latvia. Latvia together with Estonia started to develop preconditions for international tourism marketing similar in approaches to the Nordic countries and Germany. The country started to implement international standards in the spheres of hospitality and transportation.

Tallinn became very well connected by ferries to Helsinki and Stockholm, and Riga — by ferry to Stockholm. Lithuania's capital, Vilnius, is situated inland, not on the coast. The accessibility of Vilnius was less easy compared to Riga and Tallinn for some time. The geography of flight routes between East and West became more developed in Riga, and unofficially Riga was even called the '*Baltic Paris*' due to its western-style hospitality services and nicely preserved objects of cultural heritage. Estonia's tourism market started to be oriented towards Finland and Sweden, and Lithuania's market became more diversified and more oriented towards Eastern and Central Europe, as well to Scandinavian countries. Latvia took a clear direction towards Sweden and Germany. Until their accession to the EU, the tourism marketing systems of the Baltic States were not sufficiently oriented towards Eastern markets (Russia, Belarus, and Ukraine). At the same time visitors especially from Russia were traditionally important.

Nowadays, the Baltic States are known as new emerging destinations in Europe's international tourism markets. The countries became famous for their nature landscapes (beaches and resorts along the Baltic coast, nature parks where recreational activities are combined with elements of ethnic culture). The countries offer rural tourism services. Relatively compact territories of the Baltic countries, small distances between different destinations and dense and well-developed road network, contribute to the development of tourism. A significant role is played by city (capitals) tourism related activities and the development of cruise tourism.

The Kaliningrad region as a former territory of East Prussia is historically linked to the Baltic States, especially to Lithuania. The homogeneity of natural landscapes, dense network of cultural heritage objects, the development of similar branches of tourism, identical characteristics of recreational resources, transport accessibility, western standards of providing services — all these factors generate preconditions for co-operation in international tourism development. However, the biggest barriers are the exclavity of the region, visa regime for the EU nationals and for the Kaliningrad region inhabitants visiting the EU. In general, tourists from Russia constitute the majority of inbound tourism in the Kaliningrad region. Since 2004 the trend of foreign visitors coming to the Kaliningrad region has been decreasing. The challenge for cross-border co-operation is the visa regime and the Kaliningrad region becomes more isolated from the Baltic region international tourism market. The region is becoming popular with tourists coming from Poland, Lithuania, and other Russia's regions and CIS countries.

Trends of international visitors: structure and change

Nowadays, the trend of international inbound tourism is very significant for the small economies of the Baltic States. Tourism as a combined economic factor plays an important role in many processes of regional development and territorial cooperation on international level.

Since 1995 there has been an increase in the number of international visitors to the Baltic States. In 1995, Lithuania received 650 000 [14], Latvia — 539 000, and Estonia — 530 000 international tourists [9; 13]. The latest statistics indicates that in 2011 Lithuania was visited by 4 504 300 tourists [15], Latvia — by 3 257 000 [13] and Estonia — by 2 460 000 [10] tourists with shorter and longer length of stay in total. The geography of visitors by the countries of origin is different as well. In 2009, Lithuania was visited by 1 800 000 foreign tourists mostly from Poland (16,7%), Germany (14,6%), Russia (10,5%), Latvia (8,3%), Belarus (6,9%), Estonia (4,0%), Finland (4,0%), United Kingdom (3,4%), France (2,9%), Italy (2,7%), Sweden (2,5%), USA (2,3%), Norway (2,1%) (Lithuanian Tourism..., 2009) [14]. In 2011 Lithuania was visited by 1 775 000 foreign tourists (staying longer than 3 days) mainly from Belarus (19%), Russia (15%), Poland (12%), Latvia (10%), Germany (9%), Finland (4%), United Kingdom (3%), Sweden (3%), Estonia (3%), Norway (2%) (Lithuanian Tourism..., 2011) [15].

In 2009, Latvia was visited by 1 113 898 foreign tourists mainly from Lithuania (13, 9%), Russia, (12, 4%), Sweden (10, 9%), Estonia (10, 2%), Germany 8, 9%), Finland (8, 7%), Norway (4, 7%), United Kingdom (4, 6%) [13]. And in 2011 the country was visited by 1 807 919 foreign tourists (staying longer than 3 days) mainly from Russia (18, 1%), Lithuania (12, 9%), Germany (7, 8%), Sweden (10, 1%), Estonia (6, 8%), Finland (6, 4%), Norway (4, 2%), United Kingdom (4, 1%) [13].

In 2009, Estonia was visited by 1 380 540 foreign tourists mainly from Finland (54, 4%), Russia (6, 8%), Sweden (5, 6%), Germany (5, 5%), Norway (2, 9%), Latvia (4, 94%), United Kingdom 2, 4%), Lithuania (2, 4%) [9]. And in 2011 the country was visited by 1 807 919 foreign tourists (staying longer than 3 days) mainly from Finland (46, 5%), Russia (11, 2%), Germany (5, 7%), Sweden (4, 7%), Latvia (4, 7%), United Kingdom (3, 9%), Norway (2, 8%), Lithuania (2, 6%) [10].

Recently, the promotion of inbound tourism from Russia and Belarus was named one of the priorities. Historical ties, especially between Lithuania and Belarus, are obviously strong. Other markets — Poland, Germany, United Kingdom, France, Italy and Spain are also recognized as priority ones for the development of inbound tourism to Lithuania.

Generally, the region became the most dynamic tourist destination in Europe. One more peculiarity describing inbound tourism in the Baltic States is high tourism attractions and good quality accommodation in the capital cities. Almost 57% of all international tourists overnight stays were in the capitals of Baltic States in 2009; the highest percentage was registered in Riga (73%) being followed by Tallinn (56%), and Vilnius (46%) (Consumetric..., 2009) [3].

In Lithuania during the period of 1993—2011 the revenue from international tourism increased about 36 times, and at the end of 2011 it reached up to 1, 01 billion euros. During the mentioned period the balance of travelling was positive, i.e. the revenue from international tourism always exceeded the expenditures [20]. Recently, the share of inbound tourism was 26, 9% of the total export of Lithuania.

Factors of competitiveness for the development of international tourism in Lithuania

In general, determining the competitiveness and the development factors of international tourism in Lithuania, one can distinguished the following factors:

Table 1

Factors of competitiveness

Positive factors	Negative factors
<ul style="list-style-type: none"> — Geographically small country and a nation; — Geographic location between East and West, the Eastern border of the EU; — History and authenticity (reflections of Polish, Belarusian, Russian and German history and cultures; — History, tangible as well intangible heritage of the Soviet period; — Authenticity of Lithuanian culture (language, ethnic culture, cuisine, traditions); — “<i>Not crowded</i>”, i.e. low density of population (Lithuania about 49 people per 1 km² (Latvia — 34 inhabitants per 1 km², Estonia — 29 inhabitants per 1 km²); — Almost pristine nature: forests, wetlands, lakes, coastal zones, dense network of protected areas; — Vital rural lifestyle and rural traditions; — Dense network of towns up to 1500 inhabitants; — “Food, drinks and entertainments are cheaper than in western and CIS countries”, i.e. reasonable prices and good quality estimating in western standards in the context of hospitality services; — Payments accepted in credit and debit cards, even in small towns and in peripheries; — Developed national tourism information system. 	<ul style="list-style-type: none"> — Weather (lack of sunny days, the climate is too cold and humid); — Seasonality (3—4 months duration of tourist season), undeveloped activities in winter time; — poor accessibility of Lithuania by trains from Poland; — Lack of campsites; — Lack of integrated tourist routes with Latvia and Estonia for gaining the experience of “<i>What are the Baltics?</i>” — Lack of regional cooperation between the neighbouring countries in tourism marketing and dissemination of tourist information; — Insufficient cooperation within Triple Helix model (public, entrepreneurship and research); — No clear tourism strategy for Eastern markets (Russia, Belarus and other CIS countries); — Not fully formed image of Lithuania as a tourist destination in Russia; — Visa regime even for tourists during the summer season for potential visitors from Russia, Belarus and other CIS countries. — For Lithuania’s tourists in Russia tourism facilities are too expensive and some of them are of poor quality; — Lack of tourist and other social information and communication between Lithuania and the Kaliningrad region.

Author’s own research, 2012.

Considering the complexes of tourism resources and their territorial distribution, Lithuania is specializing in the following branches related to international tourism:

- Ecotourism (bird watching, nature trails, cycling, skiing, adventure competitions);
- Cultural cognitive tourism (architecture, history, art, cuisine, events, notable persons), as well as history of the Soviet period as heritage of militarism and totalitarianism;
- Medical and health tourism;
- SPA and wellness;
- Business tourism (conferences, workshops and exhibitions);
- Rural tourism;
- Urban tourism (for long weekends).

Similar developing branches related to international tourism are observed in Latvia [12; 21] and Estonia. Lithuania takes the lead in the field of medical and health tourism, SPA and wellness, and rural tourism. Latvia prevails in the fields of urban tourism, cultural cognitive tourism, winter sport tourism [12]. Estonia is rapidly developing cruise tourism, rural tourism and urban tourism.

The creation of tourism brands of the Baltic States has always been an ambitious task, especially for Lithuania, but still there is no common regional tourism brand due to the willingness to emphasize the importance and attractiveness of every country taken separately. Estonia was the first one with the motto “*Visit Estonia*”, Latvia — “*Singing Country*” and that was later changed to “*Best Enjoyed Slowly*”. Lithuania faced a challenge of creating a tourism brand related to its cultural and historical ties to East-Central Europe, and the capital Vilnius is situated inland close by the border to Belarus. The watch phrase “*Brave Country*” reflects Lithuania’s challenge being located at the crossroads between Western and Eastern cultures and historical events.

Concerning co-operation of the Baltic States in providing tourism related services, rather developed forms of co-operation, infrastructure and *e-services* have been created in the countries. The Scandinavian model has been borrowed and adjusted to local conditions, thus delineating not only physical, but even virtual borders between the countries in the spheres of transportation, travelling and hospitality.

The processes of cohesion of tourism industries has become more intensive since the accession to the EU, when the three Baltic States started to be perceived as one region, also for tourism. When the three Baltic countries joined the Schengen area, physical borders between the countries disappeared. Tourism services providers started working in a much closer contact. Thus, Lithuania, Latvia and Estonia created a unified system of hotels, synchronized flight, bus and ferry schedules, booking systems, as well as developed joint virtual infrastructure of tourism information (websites, brochures, and advertisements). Banking systems are also consolidated mostly by the banks of Nordic neighbours (Finland, Sweden, Denmark

and Norway), due to that fact the payments by banking cards are often acceptable, and there is no commission for money withdrawal operations from ATM of “sister” banks within these countries.

In general, further successful development of tourism in the Baltic States depends on spatial integration of infrastructure with Finland, the Kaliningrad region of Russia, the North-East Poland and partly Belarus in terms of the actions related to cross-border and trans-border cooperation. However, there still remain significant regional disparities in different parts of the Baltic States in the development of international tourism market. Thus, Lithuania is playing an important role in promotion of international tourism development processes in the North-West Belarus and the Kaliningrad region, that are recognized as priorities for territorial co-operation and development of joint tourism branches.

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About the author

Prof. Dr Eduardas Spiriajevas, Head of the Centre for Transborder Studies, Klaipėda University (Lithuania).

E-mail: borderlithuania@gmail.com